

AGENDA



Recommendation for Board Action

AUSTIN HOUSING FINANCE CORPORATION (AHFC)

AHFC Meeting: August 23, 2018

Item Number: **AHFC001**

Consent

Approve the negotiation and execution of a loan agreement with Cambrian East Riverside, LP, or an affiliated entity, in an amount not to exceed \$2,000,000 for a new construction, multi-family housing development to be known as Cambrian East Riverside, to be located at East Riverside Drive, between Grove Boulevard and Clubview Drive.

District(s) Affected: District 3

Lead Department	Neighborhood Housing and Community Development.
Fiscal Note	Funding is available in the Fiscal Year 2017-2018 Capital Budget of the Austin Housing Finance Corporation. A fiscal note is attached.
For More Information	Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Community Development Administrator, Neighborhood Housing and Community Development, 512-974-1091.

Additional Backup Information:

This action authorizes the Austin Housing Finance Corporation (AHFC) to enter into a loan agreement with Cambrian East Riverside, LP, or an affiliated entity, to develop the multi-family affordable housing community. The proposed development will be located in Council District 3.

Project Proposal

Cambrian East Riverside is a proposed new construction, mixed-income community to be located at East Riverside Drive between Grove Boulevard and Clubview Avenue in Austin. This community will consist of 65 units: 6 units targeted as affordable housing for households earning less than 30% of the Austin Median Family Income (MFI); 22 units targeted as affordable housing for households earning less than 50% MFI; and 27 units targeted as affordable housing for households earning less than 60% MFI. In addition, the development will set aside 10 units for 811 requirements through Texas Department of Housing and Community Affairs (TDHCA).

Funding Request

- Staff recommends \$2,000,000 of GO Bond funds be approved in the current fiscal year.
- Funding will be used for new construction of rental units.
- The project expects an award of Low Income Housing Tax Credits as part of the financing plus a permanent loan.
- AHFC funding would represent approximately 13.3% percent of the total project cost, with an average cost of \$71,428 per rental unit.

Estimated Sources of Funds

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 9,296,774.00	Acquisition Costs	\$ 1,035,000.00
City of Austin	\$ 2,000,000.00	Hard Costs	\$ 8,810,091.00
Deferred Developer Fee	\$ 510,841.00	Soft and Financing Costs	\$ 3,124,104.00
Permanent Financing	\$ 3,250,000.00	Reserves and Developer Fee	\$ 2,088,420.00
TOTAL	\$ 15,057,615.00	TOTAL	\$ 15,057,615.00

Population Served

- 6 units will be reserved for persons with incomes at or below 30% Median Family Income (MFI); currently, \$18,100 for a single-person household and \$25,800 for a 4-person household;
- 22 units will be reserved for persons with incomes at or below 50% MFI; currently, \$30,100 for a single-person household and \$43,000 for a 4-person household.
- 27 units will be reserved for persons with incomes at or below 60% MFI; currently, \$36,120 for a single-person household and \$51,600 for a 4-person household.
- 10 units will be market rate.

Project Characteristics

65 Units in the following mix:

- 15 1-bedroom 660 Square feet Estimated Rents: \$458-\$916
- 30 2-bedroom/2-bath 852 Square feet Estimated Rents: \$549-\$1,099
- 16 3-bedroom/2-bath 1,050 Square feet Estimated Rents: \$635-\$1,270
- 4 4-bedroom/2-bath 1,252 Square feet Estimated Rents: \$1,181-\$1,417

Current Property Tax Status and Future Impact

The property is currently not exempt from taxation. The Travis Central Appraisal District would make a determination on any tax exemptions for which the property may qualify in the future.

Cambrian East Riverside, LP

Cambrian East Riverside is a partnership of several qualified entities. Cambrian will be developed by: Neo East Riverside (Calvin Chen) and O-SDA Industries (Megan Lasch). Structure Development (Sarah Andre) and Saigebrook Development (Lisa Stephens) will serve as project consultants. Collectively Neo East Riverside, O-SDA, Structure and Saigebrook Development have financed, constructed and completed more than 13,000 affordable housing units. The development experience of this team includes utilization of highly leveraged resources and complicated multi-layered financing programs. The team has experience with many funding sources and their various program requirements including HOME, CDBG, Bonds, and TIF as well as many other financing vehicles. This proficiency was attained through prior experience and similar ventures working with dozens of municipalities to provide permanent affordable housing throughout the southeast. This team is a collection of professionals with decades of experience from design and architecture to finance, accounting and engineering. This expertise ensures the long-term goals of the Cambrian East Riverside will be effectively served and adequately financed. Each of these partners brings unique qualifications to the team that will result in a high-quality affordable housing development that is delivered on-time, on-budget and in compliance.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Information Packet here: <http://austintexas.gov/page/fy-17-18-funding-applications>.